

Senate File 2325

S-5185

1 Amend Senate File 2325 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 423.4, Code 2016, is amended by  
5 adding the following new subsection:

6 NEW SUBSECTION. 12. *a.* For purposes of this  
7 subsection, "*designated nonprofit hospital*" means a  
8 nonprofit hospital licensed pursuant to chapter 135B  
9 that satisfies all of the following requirements:

10 (1) The hospital entered into a written  
11 construction contract on or after January 1, 2014, but  
12 prior to December 31, 2016, or the hospital issued  
13 bonds to fund construction on or after July 1, 2014,  
14 but prior to December 31, 2016.

15 (2) The hospital is located in a county that  
16 borders Illinois and has a population of at least one  
17 hundred fifty thousand according to the 2010 certified  
18 federal census.

19 (3) Between July 1, 2014, and December 31, 2018,  
20 the hospital, including any affiliated system hospital  
21 located in the same county, expends more than two  
22 million dollars on capital expenditures for facilities  
23 to provide inpatient or outpatient behavioral health  
24 services, as determined by the department from the  
25 Medicare cost reports prepared by the hospital.

26 *b.* Beginning July 1, 2017, a designated nonprofit  
27 hospital in this state may make application to the  
28 department for the refund of the sales or use tax  
29 upon the sales price of all sales of goods, wares,  
30 or merchandise, or from services furnished to a  
31 contractor, used in the fulfillment of a written  
32 construction contract with the designated nonprofit  
33 hospital entered into on or after January 1, 2014,  
34 but prior to December 31, 2016. In order to qualify  
35 for the refund, the sale and delivery of the goods,

1 wares, or merchandise, or the services furnished, must  
2 have occurred between January 1, 2014, and December  
3 31, 2017, and must have been purchased directly by a  
4 contractor, or by a contractor as the agent for the  
5 designated nonprofit hospital, or directly by the  
6 designated nonprofit hospital.

7 *c.* Such contractor shall state under oath, on forms  
8 provided by the department, the amount of such sales  
9 of goods, wares, or merchandise, or services furnished  
10 and used in the performance of such contract, and upon  
11 which sales or use tax has been paid, and shall file  
12 such forms with the designated nonprofit hospital which  
13 has made any written contract for performance by the  
14 contractor.

15 *d.* On or after July 1, 2017, but not more than  
16 three years after final settlement has been made, the  
17 designated nonprofit hospital shall make application  
18 to the department for any refund of the amount of the  
19 sales or use tax which shall have been paid upon any  
20 goods, wares, or merchandise, or services furnished.  
21 The application shall be made in the manner prescribed  
22 by the department and upon forms provided by the  
23 department. The department shall audit the claim  
24 and, if approved, issue a warrant to the designated  
25 nonprofit hospital in the amount of the sales or use  
26 tax which has been paid to the state of Iowa under  
27 the contract. However, for sales and use tax paid  
28 between January 1, 2014, and July 1, 2017, the total  
29 eligible refund shall be amortized equally over two  
30 calendar years, and the department shall issue one  
31 warrant each calendar quarter for forty-eight calendar  
32 quarters until the total applicable refund amount has  
33 been issued.

34 *e.* The total amount of refunds provided pursuant to  
35 this subsection shall not exceed two million dollars.

1     *f.* Any contractor who willfully makes a false  
2 report of tax paid under the provisions of this  
3 subsection is guilty of a simple misdemeanor and in  
4 addition shall be liable for the payment of the tax and  
5 any applicable penalty and interest.

6     *g.* This subsection is repealed July 1, 2022, or  
7 thirty days following the date on which two million  
8 dollars in total refunds have been provided.>

9     2. Title page, by striking lines 1 through 5 and  
10 inserting <An Act providing a sales tax refund for the  
11 sale of goods and services furnished in fulfillment  
12 of a written construction contract with a qualifying  
13 nonprofit hospital, and providing penalties.>

---

CHRIS BRASE

---

ROBY SMITH